

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

In re

ALGITS INCORPORATED

Debtor.

Bankruptcy Case No.: 21-13888-DER

Chapter 11

**THE UNITED STATES TRUSTEE'S
OBJECTION TO DEBTOR'S DESIGNATION OF
CASE WITH RESPECT TO SMALL BUSINESS DEBTOR STATUS**

John P. Fitzgerald, III, the United States Trustee for Region Four, which includes the District of Maryland, Baltimore Division (the "United States Trustee"), pursuant to 11 U.S.C. § 101(51D), and Rule 1020 of the Federal Rules of Bankruptcy Procedure, objects to Debtor, Algits, Incorporated ("Algits"), designation that it is not a small business debtor and respectfully requests that Algits be designated as a small business debtor and this case be designated a "small business case."

FACTS COMMON TO ALL COUNTS

1. Algits' Chapter 11 case was commenced by the filing of a voluntary petition on June 11, 2021. No creditors committee has been appointed. Algits has not elected to proceed under Subchapter V of Chapter 11. (*See* Doc. 1.)

2. Algits' meeting of creditors was commenced on July 7, 2021. The meeting was partially completed and adjourned to August 20, 2021. (*See* Doc. 3; dkt. entry dated July 7, 2021.)

3. Algits is engaged in commercial and business activities. Specifically, Algits operates, for profit, a “Ninja Warrior” style gym and play area in Howard County, Maryland, along with a related area for parties, a bar and simulated golf apparatus. (*See* Doc. 35 at ¶ 2.)

4. According to its schedules, Algits has \$1,413,824.63 in total debts. (*See* Doc. 24-6.)

5. 11 U.S.C. § 101(51D) defines a “small business debtor” as “a person engaged in commercial or business activities ... that has aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition ... in an amount not more than \$2,725,625.”

6. 11 U.S.C. § 101(41) defines the term “person” as including a corporation such as Algits.

7. 11 U.S.C. § 101(51C) defines a “small business case” as a case under Chapter 11 “in which the debtor is a small business debtor and has not elected that subchapter V of chapter 11 of this title shall apply.”

8. Because Algits is a “person engaged in commercial or business activities ... that has aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition ... in an amount not more than \$2,725,625,” Algits is a small business debtor and should be designated as such.

9. Because Algits is a small business debtor who has not elected to proceed under Subchapter V of Chapter 11, the case is a small business case and should be designated as such.

10. As a small business debtor, Algits should comply with all the requirements of a small business debtor, including, but not limited to, those identified in 11 U.S.C. § 1116 and the time constraints of 11 U.S.C. § 1121(e).

11. Rule 1020(b) of the Federal Rules of Bankruptcy Procedure provides that within 30 days of the conclusion of the meeting of creditors, the United States Trustee may object to the designation a debtor has made with respect to whether it is a small business debtor.

WHEREFORE, the United States Trustee respectfully requests that this Court find that Algits is a small business debtor and that this case as a small business case.

Respectfully submitted

Dated: July 27, 2021

John P. Fitzgerald, III
Acting United States Trustee, Region Four

By: /s/ Hugh M. Bernstein
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY, that on this 27th day of July, 2021, a copy of the foregoing document was filed electronically in the United States Bankruptcy Court for the District of Maryland and that according to the Court's CM/ECF system, the following people were served electronically as a result and that there are no persons entitled to manual service:

- **Hugh M. (UST) Bernstein** hugh.m.bernstein@usdoj.gov
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- **Christopher S. Young** cyoung@btlg.us,
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I HEREBY FURTHER CERTIFY, that on this 27th day of July, 2021, a copy of the foregoing document was mailed, first class, postage prepaid, to

Algits Incorporated
9301-9315 Snowden River Parkway
Columbia, MD 21046

/s/ Hugh M. Bernstein
Hugh M. Bernstein